

Testimony of
Adolfo A. Franco
Assistant Administrator,
Bureau for Latin America and the Caribbean
United States Agency for International Development
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“PLAN COLOMBIA - ACCOMPLISHMENTS”

Mr. Chairman, Members of the Committee, it is a pleasure again to have the opportunity to appear before the Subcommittee on the Western Hemisphere of the House International Relations Committee. The last time that I appeared before this Subcommittee, on March 9, 2005, I took the opportunity to update you on the state of democracy in the Western Hemisphere, cited examples of how the United States Agency for International Development (USAID) Bureau for Latin America and the Caribbean (LAC) is contributing to the consolidation of democracy in the region, and identified areas of growing concern that unless addressed now, will undermine democratic gains in the region in the coming years. Today, I would like to brief you on how USAID is contributing to the United States Government efforts to promote peace, democracy and a secure environment, alleviate poverty, and improve the criminal justice system as essential parts of its counternarcotics program in Colombia.

Mr. Chairman, our assistance is working and we are disrupting the cultivation of coca and opium poppy, thus contributing to the achievement of the President's vision for a secure, stable and prosperous Western Hemisphere. I would also like to brief you on opportunities for further targeted USAID assistance to the Government of Colombia (GOC) in its efforts and demonstrated resolve to eliminate the scourge of illegal narcotics that continues to threaten not only Colombia's social and economic fabric, but also hemispheric stability.

I. Major Achievements to Date

The Government of Colombia continues its relentless attack on coca and poppy cultivation and the trade in cocaine and heroin. After years of steady increases, cocaine production in the Andes is, for the third straight year, decreasing. An aggressive program of eradication, begun in earnest with the election in mid-2002 of Colombian President Alvaro Uribe, has cut Colombia's potential cocaine production by one-third, since 2001.

Started in Fiscal Year 2001 under “Plan Colombia”, the United States Government's Andean Counternarcotics Initiative (ACI) has three goals: 1) disrupt the production and trafficking of illicit drugs in the Andean region; 2) strengthen law enforcement and judicial institutions that combat narcotrafficking; and 3) develop viable alternatives to illegal drug production. Working in close partnership with President Uribe's administration, USAID's assistance has helped to expand and improve state presence, strengthen democracy, help local governments deliver essential services to marginalized Colombians, create licit economic opportunities, improve

social conditions, and resettle internally displaced people. In 2001, it was estimated that 125,000 to 150,000 families were involved in illicit drug production in Colombia.

Today, I am pleased to report on several significant accomplishments of the USAID program. The program has assisted more than 55,000 rural families who have abandoned their coca fields and are now able to participate in licit income-generating activities throughout Colombia. To help program participants benefit more fully from their decision to disassociate themselves from nefarious and illegal drug-related activities, USAID has completed more than 900 social and productive infrastructure projects, and strengthened the administrative, financial, accounting and auditing capabilities in 90 municipalities to help them better serve their communities. This has given remotely situated and largely neglected communities renewed hope and security in the values and benefits of democracy, and the legitimacy and reliability of state-provided services, as they now have greater access to clean water; health delivery systems; education facilities for both adults and children; workforce skills improvement; and reliable markets for their high value agricultural goods. This has occurred in many areas where illegal armed groups used to be the *de facto* authorities and previously provided only minimal levels of social services. At today's prices, the legal agricultural economy in the coca growing regions is larger than the coca economy.

This milestone achievement has been made possible through USAID's approach to fostering expansion of trade in licit economic opportunities as an alternative to illicit crops. We have accomplished this by strengthening local and national institutions, NGOs, and civil society; establishing productive infrastructure; implementing profitable productive activities; promoting the sustainable management of natural resources; and helping the private sector capitalize on market opportunities to expand its trade linkages.

In this context, building trade capacity is vital to bringing economic stability to Colombia. Under the Colombian Agribusiness Partnership Program (CAPP), USAID is providing resources to finance a range of competitive agro-processing and cultivation expansion activities, and anticipates leveraging upwards of \$200 million in private sector financing overall. This program is also supporting securitized bond issuances designed to provide sustainable capital market financing for long-term commercial crop production and processing projects. Additionally, under the Colombia Forestry Project, USAID is working with farmers and agro-forestry businesses to develop employment-intensive and environmentally-sustainable, vertically integrated forest-based enterprises.

USAID's administration of justice program is helping to increase the efficiency of Colombia's judicial sector, institutionalize a system of fair trials and provide greater access to justice for millions of poor Colombians. The program has established 38 Justice Houses (Casas de Justicia) to increase the access to justice and government services, and have administered more than 3.1 million cases, easing the burden on the over-stretched judicial system. Strikingly, the Department of Justice and USAID administration of justice initiatives have established 35 new oral trial courtrooms and trained over 1,300 lawyers, judges and public defenders in the new accusatory criminal justice system procedures which are designed to reduce impunity, hasten the judicial process, significantly reduce the cost of trying a case, and enhance the overall credibility and transparency of the judicial system..

To protect program participants from harassment, physical harm and abuses by narco-traffickers and illegal armed groups, USAID assisted with the establishment of an “Early Warning System” (EWS) which monitors potential conditions that might trigger human rights violations and thereby provides warnings of impending threats. To date, more than 350 alerts have been issued by the EWS which have resulted in 200 responses by Colombian Government agencies. To assist the Government of Colombia in responding quickly to allegations of human rights violations, USAID has helped the Government of Colombia establish 11 new mobile satellite units, several of which are located in the most remote areas of the country. In addition, the USAID human rights protection program has protected more than 4,300 people, including mayors, local human rights officials, council members, municipal human rights workers, medical workers, and journalists. Furthermore, 87 offices under threat of violence have been armored and made safe.

Together, these projects are creating a civil and human rights protection infrastructure—and a climate of respect—so that the Colombian Government may be able to prevent or be more responsive to human rights violations. By providing protection to these individuals and offices, we are playing an increasingly important role in ensuring the ability of Colombia’s leaders, human rights defenders, and local officials, to conduct activities in as secure an environment as possible.

Another area in which USAID’s involvement has been important to President Uribe’s bold efforts to combat the influence of the drug lords is in providing assistance to vulnerable groups, particularly Internally Displaced Persons (IDPs), and victims of drug-related violence. This assistance, administered by USAID and the State Department’s Bureau for Population, Migration, and Refugees includes food, shelter, psychosocial assistance, health services, community strengthening, income and employment generation, access to education and workforce skills training, and rehabilitation of child ex-combatants. Our assistance is also strengthening the Colombian agency responsible for IDP coordination, protection, and border monitoring, the Social Security Network. The program has an impressive nation-wide presence and runs more than 300 projects in 25 departments and 200 municipalities throughout the country.

Colombia’s IDP problem is complex and one of the worst in the world. The Government of Colombia wants as many IDPs as possible to return to their home communities. The USAID program facilitates the process by: 1) restoring critical infrastructure in their home communities; 2) providing assistance to return home; and 3) helping them to resettle in a new community if returning home is not an option. Between 2001 and 2005, USAID’s IDP program has helped more than 2.2 million persons by providing viable livelihood and employment options. This also discourages families from resorting to the cultivation of illicit crops. More than 52,000 jobs have been created for IDPs and for youth at risk of displacement or recruitment by illegal armed groups.

IDP programs have provided vocational and skill development training for nearly 30,000 IDPs to participate in the formal economy. More than 800,000 displaced and vulnerable people have received quality health services, and tens of thousands can now read and write. Wider access to

health and education is key to reducing the inequality between those who are benefiting from democracy and those who are not. Finally, more than 20,000 families that were willing and able to safely return to their original communities have been assisted, and more than 2,300 child ex-combatants have been assisted in their economic and social reintegration process.

II. USAID's Assistance with the GOC's Demobilization Strategy

Colombia is at a crossroad in its efforts to greatly diminish the negative affects of narco-terrorism and establish itself as a peaceful nation whose citizens may benefit from sustainable social and economic development. Recent events and progress in the demobilization and reintegration of the United Self Defense Forces of Colombia (AUC) represent a unique opportunity for both the Government of Colombia and the U.S. Government. With our support, the Colombian Government has the chance to create a lasting peace and foment stability within the region through the dismantling of a foreign terrorist organization (FTO) that has been responsible for thousands of deaths and a significant portion of the illicit drugs that are exported from Colombia to the U.S. The Colombians want us to be a partner in this endeavor. President Bush gave President Uribe his pledge to continue supporting the Government of Colombia's efforts to defeat the narco-traffickers and terrorists when they met in Cartagena earlier this year. Success with the demobilization program will tangibly contribute to the Global War on Terrorism—the United States Government's overriding foreign policy priority.

In 2003, the Colombian Government and the AUC signed an accord that called for complete demobilization of the AUC by December 31, 2005. To date, 4,820 individuals have been collectively demobilized and are participating in the 18-24 month long reintegration process. The process is working and this success is being reflected by some truly remarkable results. For example, Medellin, one of the first cities to participate in the demobilization program, has experienced a 68% decline in the murder rate since 2002, with the reduction being double in areas that contain demobilized ex-combatants as compared to areas that do not. And over 800 of the 850 ex-combatants are working full time for the municipality, and many of them are also receiving formal education or training.

In 2002, Congress provided expanded authorities for the United States Government program in Colombia recognizing that narco-trafficking and terrorism are intertwined. The AUC has been deeply involved in both. The Colombian Government is currently finalizing negotiations with the central command of the AUC for the demobilization of an additional 15,000 terrorists by the end of 2005. The impact of this on United States Government's counter-narcotic and anti-terrorism objectives in Colombia could be very significant.

The benefits from supporting a successful AUC reincorporation process greatly out-weigh the risk or consequences of a faulty or failed one. If the demobilized return to a life of crime, violence and terrorism, then the sharp drop in murders, massacres, and kidnapping during the Uribe administration will stall, if not reverse. A reversal in such security trends would seriously undermine President Uribe and his Democratic Security Policy. In turn, such a failure would damage Uribe's ability to continue to pursue his aggressive fight against drugs and terror in Colombia. Further, one of our strongest allies in Latin America would have suffered a serious

setback, directly affecting the prospects for continued success in meeting critical United States Government foreign policy interests in an increasingly unstable region.

If successful, the Demobilization and Reintegration process with the AUC could also serve as a confidence builder for future peace negotiations with all the illegal armed groups and contribute to a further reduction in the human rights violations and in the internal displacement of populations resulting from the ongoing Colombian armed conflict as well as drug production and trafficking. Already there are talks underway between the Colombian Government and the National Liberation Army (ELN), another designated foreign terrorist organization (FTO), and Colombian officials are planning for a possible demobilization of an additional 3,000 illegal combatants this year.

The Government of Colombia has pledged over \$85 million for the demobilization and reintegration of ex-combatants during 2004-2007, but additional resources, along with USAID “know-how” are needed to assure its success. Employment generation and reintegration into productive civil society is an essential component to making this a successful and legitimate demobilization and reintegration process. The demobilized combatants need to make a successful transition to full time employment or they are at risk of falling into violence, crime, gangs, and other illicit activities. USAID has been providing planning assistance to the Office of the High Commissioner for Peace, support to the Organization of American States (OAS) Monitoring and Verification Commission, initial funding for the Tracking and Monitoring System (TMES) and the Orientation and Reference Centers for the demobilized, and technical assistance to improve the vetting of ex-combatants. We have moved forward with this preliminary institutional and infrastructure support for the demobilization and reintegration process and would ensure that any additional support is fully consistent with United States law. An overall policy determination as to whether, and to what extent, to expand our support to the process is under careful consideration. Any demobilization structure needs to preserve certain vital principles, such as the idea of assuring that there is no impunity for major human rights violators and major drug traffickers.

Another issue that has been pending since the last time I was able to consult with the Committee in regard to demobilization and reintegration is the status of the Truth, Justice, and Reparations Law, currently being debated by the Colombian Congress. The Colombian Government has been working very assiduously to draft a law that balances incentives for the paramilitaries to demobilize while simultaneously providing the justice that is needed for Colombian society to heal from the atrocities committed by the paramilitaries. The balance between peace and justice is a delicate and challenging one. However, as has been stated in several high level Government of Colombia-United States Government meetings, this must be a Colombian solution.

The United States should not be alone in supporting the demobilization program, but our participation could serve as an example for other donor nations, while at the same time bringing a sense of legitimacy to the process. We have been working through diplomatic channels to foster increased European Union and bilateral interest in the paramilitary demobilization and reintegration process. Secretary Rice also confirmed, in her April visit to Colombia, the importance of the demobilization process and securing additional international community support. This is a message we have been engaged in delivering, and that is beginning to bear

fruit, as demonstrated by the donation of \$957,000 from the Netherlands to the OAS Monitoring and Verification Commission and the sponsorship by Sweden of one full-time OAS staff member. However, the request for further international donor support needs to continue at all levels, and we will work closely with the Department of State and others to ensure that this is accomplished.

III. Future Opportunities for USAID's Assistance

Implementation of Plan Colombia over the past two and a half years has been greatly expedited and assisted by the determined efforts of President Uribe. The achievements cited earlier, in remote regions of Colombia with little or no government presence are especially noteworthy because of the difficult and dangerous terrain that USAID works in and the time it takes to effect change in social and economic behaviors. Plan Colombia is bearing fruit. The fruit of our efforts and the determined efforts of the Government of Colombia are impairing the ability of Colombia's drug lords to influence, corrupt, and entrap generally law-abiding people into a crime-filled world of narcotics and terrorism. But in all candor, there is much more to be done.

In his remarks at an international donors' conference for Colombia held February 3-4, 2005, in Cartagena, Colombia, USAID Administrator Andrew Natsios noted the GOC's political will and commitment to coca eradication and asserted that the global community, by working together, can provide the appropriate types and levels of assistance Colombia needs to end the drug trade and strengthen "legitimate" state institutions in a manner that protects the rights and freedoms of its citizens. He added that the United States will continue to provide assistance on alternative development programs to expand opportunities for social, economic, and democratic progress by farmers and other individuals "caught up in illicit drug cultivation."

The Strategic Importance of Colombia to the United States: Colombia is the second oldest democracy in the Western Hemisphere and occupies an important geo-political and strategic position. Colombia has been an important United States Government ally and trading partner for decades and currently about 38% of its export trade is with the United States. Colombia is the largest market for U.S. agricultural exports in South America and is also an important market for U.S. exports of machinery, chemicals and plastics. Our major imports from Colombia include minerals, oil, gas, coal, precious stones, coffee, cut flower and woven apparel. Energy supplies from Colombia help reduce our dependence on Middle Eastern oil and the United States has about \$2.8 billion of foreign direct investment in Colombia, primarily concentrated in the manufacturing, information and finance sectors.

But our ties are not just economic. We have also joined with Colombia in a common struggle against the transnational threats of narco-trafficking and terrorism. Colombia supplies more than 80% of the cocaine and much of the heroin entering the United States which makes the aggressive disruption of the illicit drug trade a top United States Government priority. Terrorism in Colombia both supports and draws resources from the narcotics industry as well as from kidnapping and extortion rings which threaten both Colombians and Americans. The United States Government cannot afford to allow tens of thousands of well-armed and trained terrorists to operate unimpeded in this hemisphere.

Plan Colombia's Strategy: The strategy behind Plan Colombia was simple: economic development, security and peace are inextricably linked. Plan Colombia argued that strengthening the capacity of the State, especially the military capability, is key to the success of any national plan. The threats posed by narcotics traffickers and terrorists when Plan Colombia was envisioned arose from a combination of: insufficient resources, lack of political force, and the debilitating impact of a weak justice system. Plan Colombia was also based on a belief that taking away money generated by drugs reduces the war-making capacity of narco-traffickers, criminals, and terrorist groups and thereby reduces the level of violence which enhances the prospects for peace.

Lessons Learned:

Colombian and United States Government experiences during the last four years have shown that Plan Colombia's basic tenets were sound, but our understanding of narco-trafficker's motivations and behavior has grown substantially during the past four years as we have implemented Plan Colombia and the Andean Counterdrug Initiative (ACI) in Colombia, Bolivia, Ecuador, and Peru. We have learned that illegal groups are drawn toward areas where there is no effective state presence, and that Governments must assert control over their entire national territory and extend essential government services to citizens in isolated areas if the narco-traffickers and terrorists are to be defeated.

Military and police assistance programs are an essential first step toward establishing such Government control and the presence that provides basic security which is essential for economic and social development. But police and military assistance alone are not sufficient. A national Government presence must include support from national institutions that are responsible for helping local communities gain access to basic services: security, justice, health, education, and essential infrastructure. The institutional strengthening side of counternarcotics programs is consequently an essential complement to military and police assistance if the national Government is to establish a relationship with people in isolated rural areas and gain their allegiance after having ignored their needs for decades. Security and essential services must then be linked with economic and employment assistance in order to make eradication of drug crops sustainable.

Public diplomacy has long been recognized as an important component of the United States Government's counternarcotics efforts, but we have seen during the past several years that our public diplomacy programs must confront narco-trafficker propaganda to ensure that alternative development programs are well understood by the average citizen and that people know how narco-trafficking harms not only the people who use drugs, but also harms their country, economy, environment, justice system, and democracy.

Another important lesson of the past four years is that narco-trafficking has an important regional dimension and is not simply a national problem. This regional dimension results from narco-traffickers' tendency of seeking to move to new areas when they are confronted by eradication and interdiction pressures. In the last two years the traffickers have been unable to make up for production losses in Colombia by opening new areas in that country or developing a

production industry in neighboring countries. The so-called "balloon effect" of coca and cocaine production has not occurred on a large scale.

The Andean Counternarcotics Initiative's regional focus has meant that progress in Colombia has not been offset by increases in the rest of the Andes. There has been a net decrease in the total area cultivated in these countries for each of the past three years, including two successive drops in Peru and modest increases in Bolivia. Only trace amounts of coca are cultivated in neighboring Venezuela, Ecuador, Panama, and Brazil.

The Need for Continuation of Regional Programs The reduction of coca cultivation in the region has been most significant in Colombia. Aerial eradication has impressively reduced regional production capacity and has raised pressure on traffickers to bear the cost of replanting and field reconstitution. It will be necessary to carefully watch developments in newly developing coca areas in Colombia and possibly Peru to assure that traffickers do not migrate their production and establish a marketing infrastructure elsewhere. As the final year of Plan Colombia comes to an end, however, success is measurable and is a good reason to redouble efforts on programs that have caused traffickers the greatest damage.

Narco-traffickers and terrorists have demonstrated that they are a dangerous and resilient force. Our successes to now should stiffen our resolve to confront the traffickers, who are fighting back and reconstituting fields more rapidly than we have seen in the past.

For the out years we are working across the government to define the best strategy to build upon our experiences during the past four years with Plan Colombia and the ACI. These experiences suggest that the following concepts, programs, or activities should be part of our follow-on efforts:

- State presence should be expanded with support from national institutions.
- Military and police assistance to guarantee that the Government of Colombia maintains control over key production areas and lines of communication to disrupt large-scale coca and cocaine production.
- Counternarcotics support for interdiction and eradication programs that disrupt illicit drug production and increase the risks and costs of narco-trafficking activities.
- Alternative development support to increase licit employment and stimulate income earning activities.
- Private sector support to improve policies and increase investment and trade opportunities.
- Administration of justice activities that reduce impunity and increase access to justice.
- Human rights programs and activities as an essential complement to military, police and judicial sector assistance
- Humanitarian assistance and peace initiatives as an important outgrowth of expanded state presence.

Priorities for Continued Colombian Assistance: President Bush and Secretary of State Rice have both affirmed the United States Government's commitment to continue supporting Colombia in its efforts to defeat and eliminate narco-traffickers and terrorists. The essential elements of future United States Government assistance are in the initial stages of discussion, but will likely

include many of the same concepts, programs and activities identified above as part of a multi-year, regional, counternarcotics strategy. One additional area that may form part of the United States Government's future assistance to Colombia is support for Colombia's demobilization and reintegration program. All of these topics and areas will need to be discussed thoroughly with the Congress and reviewed by the entire interagency community in order to establish the framework for continued assistance to Colombia and the Andean Region.

IV. Conclusion

Mr. Chairman, let me conclude by stating that while we have made significant progress in achieving our objectives under Plan Colombia, the job is not done. We must continue our efforts. President Uribe's courageous efforts and commitment to disrupt and destroy the illegal drug industry are clear. However, solving Colombia's multiple and interrelated problems including weak institutions is going to require time and patience. We must stay the course, and apply lessons learned for continued and increased effectiveness of our integrated development program. As Secretary of State, Condoleezza Rice stated during her visit to Colombia two weeks ago, "You don't stop in midstream on something that has been very effective. It took a long time to get this program started, and it's going to take a while to eliminate the problem."

USAID's counternarcotics development strategy must be dynamic and able to respond quickly to changes in narcotrafficker operations. Sustainable income creation means that economic opportunities must be diversified beyond the coca field and employment must be expanded where it is cost effective to do so. Land, labor and capital markets must be integrated to support the shift away from illicit activities. We must continue our efforts to help Colombia build its trade capacity and take advantage of more open markets. President Uribe is the ideal partner with whom to work, combining political will, vision, operational creativity, and the necessary resources for the difficult task ahead. We must also continue to support efforts in citizen rights, participation, and rule of law.

I know that we can count on the continuing support of this Committee and the Congress to foment sustainable development in the Andean region and combat the scourge of narco-trafficking and terrorism in this hemisphere.

Thank you.